suggesting appropriate action. Initially, offices of Income Tax Ombudsman are being set up at Delhi, Mumbai, Kolkata and Chennai.

Salaried tax payers under scrutiny net

1955. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that salaried tax payers are likely to be brought under scrutiny net;

(b) if so, the details thereof;

(c) the total earnings Government receive from salaried tax payers and from non-salaried tax payers; and

(d) whether salaried tax payers are subject to more harassment than non-salaried class?

THE MINSITER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. There are guidelines for selection of cases for scrutiny issued by the Central Board of Direct Taxes which do not exclude salaried tax payers.

(b) Data for these categories is not maintained.

(c) No such information has come to notice of the Department as per record.

Increase in FDI

1956. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India is among the top four FDI destinations, but is well below the top ranking China, according to the survey conducted by United Nations Conference on Trade and Development report; and

(b) if so, the steps Government have taken to increase the volume of Foreign Direct Investment in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The global Investment Location Expert Survey by United Nations Conference on Trade and Development (UNCTAD)

released in April 2004 revealed China as the most attractive country for Foreign Direct Investment (FDI) flows followed by India, United States and Thailand.

(b) Government has put in place a liberal FDI policy and most of the sectors have been placed under the automatic route. FDI upto 100% is permitted on the automatic route for most activities/sectors except for a few sectors where caps have been prescribed. FDI will continue to be encouraged and actively sought, particularly in the areas of infrastructure, high technology and exports.

Shortcomings in credit delivery mechanism

1957. PROF. ALKA BALAM KSHATRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to the Basel Accord, banks in India would have to step up their credit delivery mechanism and enhance capital base;

(b) whether Government are also aware of the fact that according to a survey conducted by Federation of Indian Chambers of Commerce and Industries (FICCI), level of computerization, absence of strong internal credit rating mechanism are the basic factors responsible for poor credit delivery mechanism in India; and

(c) the details of the measures being taken/proposed to be taken to remove these shortcomings in credit delivery mechanism and to enhance the capital base of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) Yes, Sir. Risk profiling of borrowers is required for allocation of capital under Basel II apart from the point of view of risk management and efficient use of capital. In order to provide adequate and timely finance at reasonable rates to different sectors of the economy and keeping in view the imperative need for removing the bottlenecks in credit delivery mechanism, the Reserve Bank of India is making persistent efforts over the years and announced several measures in the annual policy statement of 2004-05 and the mid term review thereof. These include:—